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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the matter of)

Billed Party Preference)
for 0+ InterLATA)

CC Docket No. 92-77
Phase I

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COMMENTS OF LinkUSA FCC - MAIL ROOM

Steven J. Hogan
President
LinkUSA Corporation
230 Second Street S.E.
Suite 400
Cedar Rapids, Iowa 52401

December 11, 1992

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LinkUSA hereby submits its comments in the above-captioned proceeding.¹ As a wholesale provider of interstate operator-assisted services, LinkUSA enables third tier² customers to offer enhanced products such as travel features, information services, and operator-assisted calling to their customers. Thus, LinkUSA has a vested interest in the outcome of this proceeding and offers the following comments on the methods for compensating operator service providers who continue to receive 0+ dialed proprietary card calls.

¹Billed Party Preference for 0+ InterLATA Calls, Report and Order and Request for Supplemental Comment, CC Docket No. 92-77 Phase I, FCC No. 92-465, Released: November 6, 1992. "Order".

²The term "third tier interexchange carrier" is used by LinkUSA to denote interexchange carriers whose annual revenues do not exceed \$120 million. LinkUSA research indicates that over 300 such companies are currently operating throughout the United States.

Scope

LinkUSA welcomes the opportunity to comment on methods of compensation for operator service providers (OSPs) who continue to receive 0+ dialed proprietary CIID card calls despite the ostensible efforts of AT&T to educate its consumers on situation-appropriate dialing patterns, as requested by the Commission in its Report and Order and Request for Supplemental Comment.

The essence of the issue is that consumers, as creatures of habit, are unlikely to change dialing methods, especially when the former method continues to be effective from 68% of public phone lines.³ As such, LinkUSA anticipates the receipt of AT&T CIID-based calls. These calls congest the switch and use operator and computer time. LinkUSA agrees with the Commission that these costs are unrecoverable "from those causing the costs to be incurred."⁴ Specifically, as the Commission noted, this is a problem created by AT&T's dialing instructions and "cannot be eliminated unilaterally by the OSPs."⁵ LinkUSA further agrees with the Commission that AT&T has effectively transferred consumer frustration from itself, as issuer of the CIID card and author of the dialing instructions, to the OSPs who are unable to complete the calls.

³Order at 14.

⁴Order at 25.

⁵Order at 25.

Taken together, the problems outlined above point to a structural defect in the CIID proprietary card product. Given that the Commission works to provide for the public good, the Commission correctly seeks to resolve this problem. LinkUSA believes the public is served best by a system which allows consumers to accurately direct their frustration toward the party that is capable of addressing the source of their frustration. Since AT&T is the only party that can address the underlying structural issues and they choose not to, it falls to the Commission to force a change. Equally important, for the health of competition within the OSP industry, consumers should be able to choose their service provider based on relative value, but this is only possible if OSPs are operating with the same cost structure. LinkUSA concurs with the Commission that AT&T forces its competitors "to devote their facilities to uncompleteable and therefore unbillable CIID card calls."⁶ Thus, all providers other than AT&T incur extra overhead because they are obligated to apply resources to re-directing CIID card calls. These costs, in addition to the cost of providing services, must then be passed on to the consumer, making it impossible for these OSPs to truly maximize the value of the products actually delivered to the consumer.

⁶Order at 25.

LinkUSA believes the best way to resolve the cost issue and reduce the competitive advantage which AT&T retains, and to eliminate consumer frustration, is to place 0+ in the public domain.

If instead, the Commission chooses to address consumer problems by mandating an AT&T education program, LinkUSA suggests that the education program be carefully monitored for effectiveness. In addition, if the Commission elects to address the OSPs' cost disadvantage through designing compensation for the transfer of CIID card calls, LinkUSA suggests that the transfer arrangement enable consumers to direct their frustration with incompleteable CIID card calls toward AT&T, the only party with the ability to control the underlying structural problems.

Ideally, a single method of serving the consumers would be found. The Commission rightly sought comments for "this transfer service."⁷ However, considering the variety of processing capabilities within the Operator Service Provider industry, it appears unlikely that a single method is currently available. In fact, singling out only one compensable transfer process enables AT&T to shun its responsibility (and cost) for unilaterally serving its proprietary CIID card customers, as some OSPs would remain unable to redirect CIID card calls.

⁷Order at 64.

LinkUSA advocates that compensation be arranged using a two-pronged approach based on distinct methodologies for sending the call to AT&T: 1) methodologies which are currently available and 2) methodologies which may be available in the future. As a practical matter, CIID card calls are on OSP networks now, and are processed via dialing instructions or reorigination. Both of these services cost OSPs valuable time, effort, and switch space for which they receive no compensation. Compensation for these ongoing activities should be initiated sooner rather than later.

A third processing mechanism would be a direct transfer with originating ANI to AT&T's switch. Currently, AT&T rejects this methodology. When the Commission considers the viability of direct transfer, LinkUSA suggests they consider the responsibility which all companies bear to provide their advertised service. In the case of AT&T, as the Commission describes, calls dialed according to instructions provided to the consumer by AT&T may not be able to be completed. Some of these calls enter another OSP's network, where they must be rejected, as AT&T effectively blocks completion through opposition to direct transfer or open validation.

Conclusion

The fact that AT&T customers use and will continue to use OSPs' networks as long as 0+ dialing with proprietary CIID cards is effective frames the OSP compensation issue. LinkUSA stresses the importance of the consumer in this, as

in all issues facing the Commission. AT&T continues to frustrate its customers and to shift the cost burden of training its customers to other OSPs. OSPs, in order to serve this public need created by AT&T, are forced to provide services to CIID card users free of charge.

In the opinion of LinkUSA, this seizure of OSPs' networks by AT&T and AT&T's exploitation of OSPs' good will toward the consumers must cease. While LinkUSA continues to believe that 0+ in the public domain is the optimal solution for all concerned, it urges the Commission to mandate that AT&T compensate OSPs for the use of their networks, as well as to enforce and monitor the mandated AT&T educational program.

LinkUSA advocates an approach to compensation addressing both the immediate compensation needs of all OSPs, as well as the continuing needs of the consumer. Immediately, any compensation design should redress the costs OSPs continue to incur daily from services rendered to AT&T customers. From a longer term perspective, the Commission should consider implementing a task force to design a methodology and compensation structure for a direct transfer of consumer calls, thus meeting the underlying public need.

Respectfully submitted,
LinkUSA Corporation

By: 

Steven J. Hogan
President,
LinkUSA Corporation
230 Second Street S.E.
Suite 400
Cedar Rapids, Iowa 52401
319) 363-7570

December 11, 1992

Certificate of Service

I, Kristi Feltz, hereby certify that a copy of the foregoing Comments of LinkUSA was served by Federal Express this 11th day of December 1992 to the persons listed below.

Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Tariff Division
Common Carrier Bureau
Room 518
1919 M Street, N.W.
Washington, D.C. 20554

Downtown Copy Center
Suite 640
1990 M Street, N.W.
Washington, D.C. 20554

Kristi Feltz

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